# Government's Exhibit 363(f)

SCHEDULE F

Gross Income Reported

| | 1946 (Exhibit 4) | 1947 (Exhibit 3) | 1948 (Exhibit 2) | 1949 (Exhibit 1) |
|---|---|---|---|---|
| **Frank Costello** | | | | |
| Salary-79 Wall St. Corp. | 7434 85 | 6555 68 | 6000 00 | 6000 00 |
| Louisiana Mint Co. | 19835 25 | | | |
| Miscellaneous (Beverly) | 8229 25 | | | |
| Interest Income | | 117 81 | 3114 52 | |
| G. M. Levy | | 30000 00 | 15000 00 | 15000 00 |
| Miscellaneous Income (wagers) | | | 9500 00 | 16300 00 |
| Salary-Beverly Country Club | | | | 12000 00 |
| Income from R.L.Morris Lease | | | | 3959 90 |
| | 35049 35 | 36673 49 | 33614 52 | 53259 90 |

**Loretta Costello**

**Gross Income Reported**

Crescent Music Co. 15864 36 (Exhibit 5)

Government's Exhibit 364

True Net Income of Frank Costello as claimed by the government
Net Worth Expenditure Method
1946 to 1949 inclusive

| | 1946 | | 1947 | | 1948 | | 1949 | |
|---|---|---|---|---|---|---|---|---|
| True Gross Income of Frank Costello as claimed by the government | | 53149 14 | | 104471 86 | | 70735 49 | | 91091 94 |
| Less: Deductions per Returns | | | | | | | | |
| Contributions | 5257 40 | | 2739 00 | | 2784 00 | | 4400 00 | |
| Interest to Collector of Internal Revenue | 657 42 | | 1519 96 | | | | | |
| New York State Income Tax | 1884 43 | | 1114 36 | | 543 01 | | 506 48 | |
| Louisiana State Income Tax | 576 20 | | 728 64 | | | | | |
| Travelling Expenses | 3000 00 | | 1500 00 | | | | | |
| Crescent Music Co. Loss | | | 9715 98 | | | | | |
| Interest on Loans | | | 1000 00 | | 1856 63 | | 1247 12 | |
| Interest on Mortgage - Sands Point | | | 477 46 | | 436 33 | | 393 38 | |
| Town and School Tax - Sands Point | | | 570 86 | | 641 46 | | 691 46 | |
| Capital Loss | | | | | 1000 00 | | 1000 00 | |
| Bad Debt - Crescent Music Corporation | | | | | 14027 79 | | | |
| Intangible Drilling Costs - R. L. Morris Lease | | | | | | | 10538 87 | |
| Operating Expenses - R. L. Morris Lease | | | | | | | 402 35 | |
| Dry Holes abandoned | | | | | | | 11473 38 | |
| Depreciation and Depletion - R.L. Morris Lease | | | | | | | 496 16 | |
| Less: Deductions not claimed on Return | | | | | | | | |
| Contributions | 1491 10 | | 4 50 | | 1539 00 | | 4194 05 | |
| Safe Deposit Boxes | 16 80 | | 29 30 | | 32 90 | | 32 90 | |
| Interest - Columbia National Life Insurance Co. | | | | | | | 40 70 | |
| Interest - Collector of Internal Revenue | * 1981 85 | | * 13768 74 | | | | | |
| Sun Life Insurance Co. - Interest | 3000 00 | | | | | | 198 93 | |
| Legal Fees | 10000 00 | | 15000 00 | | | | | |
| N. Y. State Gasoline Taxes | | | | | 9 52 | | 10 88 | |
| N. Y. City Sales Tax | 69 27 | | 257 36 | | 294 48 | | 808 22 | |
| Total | | 27934 47 | | 48426 16 | | 23165 12 | | 36434 88 |
| True Net Income of Frank Costello as claimed by the government | | 25214 67 | | 54045 10 | | 47570 37 | | 54657 06 |

| | | |
|---|---|---|
| * Interest per Exhibit 212 | 2 639 27 | 15 288 70 |
| Interest to Collector claimed on Returns | 657 42 | 1 519 96 |
| Additional Interest Allowable | 1 981 85 | 13 768 74 |

3697 53

SCHEDULE D-2

Taxes Paid

Years 1946 to 1949, Inclusive

| Year | Amount |
|---|---|
| 1946 | 32837.20 |
| 1947 | 26258.00 |
| 1948 | 8278.00 |
| 1949 | 8308.10 |
| Total | 75711.30 |

| Exhibit |
|---|
| 212 |
| 212 |
| 212 |
| 212 |

SCHEDULE E

Non-Taxable Receipts
1946 to 1949, inclusive

| | 1946 | 1947 | 1948 | 1949 | Exhibit |
|---|---|---|---|---|---|
| Non-Taxable Income: | | | | | |
| Income Tax Refund | | | 11701 08 | 6124 52 | 25 and 26 |
| Sun Life Assurance Co. (dividend) | 137 60 | 4260 | 42 80 | 42 80 | 260 B |
| | 137 60 | 4260 | 11743 88 | 6167 32 | |

# NEW YORK CITY SALES TAX

(P.J.9)

| | 1946 | 1947 | 1948 | 1949 |
|---|---|---|---|---|
| G & K Garage | | | 14 | 153 |
| Annenberg & Erickson | | 1274 | | |
| A. Sulka & Co. | | 352 | 180 | 351 |
| Lou Penzner | | | | 7844 |
| Wilma | | 9632 | 5160 | 2116 |
| Philco Dist. Co. | | | | 784 |
| Ackerman Shops | | | | 938 |
| West 68th St. Garage | | | 98 | |
| Juliana Komer | | | | 650 |
| Renards - 711 Madison | | 370 | 464 | 429 |
| Theo. Hoffstatter | | | | 750 |
| Hattie Carnegie, Inc. | 38 | | | |
| Tryforos Bros. | 28 | 43 | 52 | 29 |
| Cadillac Motor Car. Div. | | | 194 | 132 |
| Airflow Refrigeration | | | | 11 |
| Tiffany & Co. | 214 | 186 | | 344 |
| Copacabana | | | | 4312 |
| Wycombe, Meyer Co. | | | | 4224 |
| Cyclax, Ltd. | | | | 31 |
| Lambert Bros. | | 130 | | |
| John Stewart, Inc. | | | | 4533 |
| Weiner Pharmacy | 297 | 388 | 384 | 564 |
| N.Y. Tele. Co. | 84 | 84 | 80 | 718 |
| Owners&Tenants Elec.Co. | 198 | 196 | 236 | 284 |
| Liberty Music Shops | | | 1790 | 1079 |
| Sun Dial Venetian Blind | | | | 300 |
| Goldfarb Flower Shop | | | 218 | 12 |
| Hale's Bedding Stores, Inc. | | | 370 | 418 |
| Charret et Fils | 168 | | | 76 |
| Lord & Taylor | 635 | 1664 | 64 | 552 |
| Brainson, Inc. | 1435 | 1870 | 1900 | 4220 |
| Saks - 5th Ave. | 1520 | 1400 | 1528 | 1667 |
| Louis Antoville, Inc. | | | | 96 |
| D. Kalfaian & Son | 397 | 407 | 400 | 33 |
| R. H. Macy & Co. | 1550 | 1742 | 832 | 1738 |
| Con Ed of N.Y. | 35 | 57 | 50 | 56 |
| Jay Thorpe | 160 | 1181 | 645 | 570 |
| Mr. John, Inc. | | | | 475 |
| Bloomingdales | 158 | 1316 | 1328 | 490 |
| W. & J. Sloane | | | | 862 |
| B. Altman & Co. | | | 1428 | 440 |
| Ponwit Teller | | 403 | 597 | 360 |
| Marble Contractor | | | | 3500 |
| Joseph Henschel | | | 6564 | |
| Premier Awning Co. | 28 | 144 | 60 | 96 |
| Copacabana, Inc. | | | 2872 | 1676 |
| Totals | $6927 | $25736 | $29448 | $60822 |

Government's Exhibit 364(a)

# Defendant's Exhibit H

CHARLES B. MURPHY
*Certified Public Accountant*
KUNTZ BUILDING
338 BARONNE ST.
PHONE CANAL 8771 NEW ORLEANS 12

CHARLES B. MURPHY, C. P. A.

J. LAWSON GAGNET
ERROLL F. BROUSSARD
DANIEL W. B. MURPHY, M. & E. E.

October 28, 1949

Mr. Frank Costello
115 Central Park West
New York, New York

Dear Mr. Costello:

Enclosed herewith find check #8148 of Beverly Country Club, Inc., in the amount of $3,468.84. This covers salary for the months of June, July, August and September, 1949, less Withholding Tax. No Social Security has been deducted as the payments to you in 1949 have exceeded $3,000.00.

I trust that you will find the enclosed check in order.

Very truly yours,

CHAS. B. MURPHY
CERTIFIED PUBLIC ACCOUNTANT

CBM:lgt
Enclosure

DEFENDANT'S EXHIBIT
U. S. Dist. Court
S. D. of N. Y.
APR 14 1954

BEVERLY COUNTRY CLUB, NEW ORLEANS 21, LA.
THE ABOVE CHECK IS IN PAYMENT OF THE ITEMS LISTED HEREWITH. KINDLY DETACH THIS STATEMENT BEFORE PRESENTING CHECK FOR PAYMENT.

Salary months of June, July, August and September, 1949

| | | |
|---|---|---|
| Gross | | $ 4,000.00 |
| O.A.B. | $ 0 | |
| W/H | 531.20 | 531.20 |
| | | $ 3,468.80 |

Form IT 565
DEPARTMENT OF REVENUE
BATON ROUGE, LA.

DETACH AND RETAIN THIS COPY AND INSTRUCTIONS

~~STATE OF LOUISIANA~~

# PARTNERSHIP RETURN OF INCOME

(TO BE FILED ALSO BY SYNDICATES, POOLS, JOINT VENTURES, ETC.)

## For Calendar Year 1940

Or for fiscal period begun April 1 1940 and ended ~~Mar. 31~~ 1941

PRINT PLAINLY NAME AND BUSINESS ADDRESS OF THE ORGANIZATION

Pelican Novelty
(Name)

2601 Chartres St.
(Street and number)

New Orleans, La.
(Post office and State)

*Date of Organization* April 1, 1938

Page 1 of Return

Do Not Write in These Spaces
Serial Number

(Date Received)

DUPLICATE

The Partnership's Books are in Care of Office Located at 2601 Chartres St.

Kind of Business Amusement Enterprise State Whether Books Are Kept on Cash or Accrual Basis Cash

ATTACH HERETO A COPY OF YOUR FEDERAL INCOME TAX RETURN FOR SAME PERIOD.

## GROSS INCOME

| Item and Instruction No. | | | |
|---|---|---|---|
| 1. | Gross Sales (where inventories are an income-determining factor), $ ; Less Returns and Allowances, $ ; Net Sales | | $ |
| 2. | Less Cost of Goods Sold: | | |
| | (a) Inventory at beginning of year | $ | |
| | (b) Material or merchandise bought for manufacture or sale | | |
| | (c) Miscellaneous costs (From Schedule A, Column 1): (1) Salaries and wages, $ ; (2) Other costs, $ ; Total | | |
| | (d) Total of lines (a), (b), and (c) | $ | |
| | (e) Less inventory at end of year | | |
| 3. | Gross Profit from Sales (Item 1 minus Item 2) | | $ 73 682 30 |
| 4. | Gross Receipts (where inventories are not an income-determining factor) | $ | |
| 5. | Less Cost of operations (From Schedule A, Column 2): (a) Salaries and wages, $ ; (b) Other costs, $ ; Total | | |
| 6. | Gross Profit where inventories are not an income-determining factor (Item 4 minus Item 5) | | |
| 7. | Interest on Loans, Notes, Mortgages, Bonds, Bank Deposits, etc. | | |
| 8. | Rents | | |
| 9. | Royalties | | |
| 10. | Profit from Sales of Stocks, Bonds, Real Estate, etc. (From Schedule B) | | |
| 11. | Dividends on Stock of Corporations | | |
| 12. | Other Income (State nature of income). (Use separate schedule, if necessary) | | |
| 13. | TOTAL INCOME IN ITEMS 3, AND 6 TO 12, INCLUSIVE | | $ 73 682 30 |

## DEDUCTIONS

| | | | |
|---|---|---|---|
| 14. | Salaries of Employees | $ 17 214 21 | |
| 15. | Rent on Business Property | 600 00 | |
| 16. | Repairs (From Schedule G) | 62 65 | |
| 17. | Interest | | |
| 18. | Taxes. (From Schedule D) | 6 699 08 | |
| 19. | Losses by Fire, Storm, etc. (From Schedule E) | | |
| 20. | Bad Debts. (From Schedule F) | | |
| 21. | Depreciation, Obsolescence, and Depletion. (From Schedule H) | 6 179 30 | |
| 22. | Other Deductions Authorized by Law. (From Schedule G) Schedule attached | 19 901 94 | |
| 23. | TOTAL DEDUCTIONS IN ITEMS 14 TO 22 | | 50 657 18 |
| 24. | NET INCOME (Item 13 minus Item 23) | | $ 23 025 12 |

## MEMBERS' SHARES OF INCOME

25. Enter in table below the name and residence address of each partner and show the share of each in the net income of the partnership (whether or not distributed or withdrawn). Enter in Column 3 the distributive share of each partner in the net income reported at Item 24 above. Enter in Column 4 the salaries or other personal service compensation and interest, paid or credited to any partner, which is included in Cost of Goods Sold, Expenses, or any other deduction.

| Column 1 — NAME AND ADDRESS OF EACH PARTNER AS SHOWN ON HIS INDIVIDUAL RETURN | Column 2 — INTEREST IN PARTNERSHIP (Percentage) | Column 3 — DISTRIBUTIVE SHARES OF NET INCOME REPORTED AT ITEM 24 OF RETURN | Column 4 — SALARIES, COMMISSIONS, ETC., AND INTEREST PAID (OR CREDITED) TO PARTNERS INCLUDED IN COST OF GOODS SOLD, EXPENSES OR OTHER DEDUCTIONS | Column 5 — TOTAL OF COLUMNS 3 AND 4 (To be reported on the individual return of each member) |
|---|---|---|---|---|
| Philip Kastel 1553 Philip N.O. La. | 40 % | $9210. 05 | $ | $ |
| Dudley Geigerman " " " | 25 % | 5756. 28 | | |
| Harold " 4485 Lafaye St." | 25 % | 5756. 28 | | |
| James Brocato 1417 Royal " " | 10 % | 2302. 51 | | |
| | % | | | |
| | % | | | |
| TOTALS | 100% | $ 23,025. 12 | $ | $ |

Defendant's Exhibit J

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Page 2 of Return

SCHEDULE F

| 1. COST OF SALES (WHERE INVENTORIES ARE AN INCOME-DETERMINING FACTOR) | | 2. COST OF OPERATIONS (WHERE INVENTORIES ARE AN INCOME-DETERMINING FACTOR) | |
|---|---|---|---|
| ITEMS | AMOUNT (Enter as Item 2-(c)) | ITEMS | AMOUNT (Enter as Item 8) |
| Salaries and wages | $ | Salaries and wages | $ |
| Other costs | | Other costs | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

## SCHEDULE B.—PROFIT OR LOSS FROM SALE OF STOCKS, BONDS, REAL ESTATE, ETC. (See Instruction 10)

| 1. KIND OF PROPERTY | 2. DATE ACQUIRED Mo. Day Yr. | 3. DATE SOLD Mo. Day Yr. | 4. AMOUNT RECEIVED | 5. COST | 6. JAN. 1, 1934, VALUE IF ACQUIRED BEFORE THAT DATE | 7. COST OF IMPROVEMENTS AFTER ACQUISITION OR JAN. 1, 1934 | 8. DEPRECIATION ALLOWED (OR ALLOWABLE) SINCE ACQUISITION OR JAN. 1, 1934 | 9. NET PROFIT OR LOSS |
|---|---|---|---|---|---|---|---|---|
| | | | $ | $ | $ | $ | $ | $ |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Total (Transfer net profit or loss to Item 10) | x x x x x | x x x x x | $ | $ | $ | $ | $ | $ |

State how property was acquired

## SCHEDULE C—COST OF REPAIRS (See Instruction 16)

| 1. ITEMS | 2. AMOUNT (Enter as Item 16) |
|---|---|
| | $ |
| | |
| | |
| | |
| | |
| | |

## SCHEDULE D—TAXES PAID (See Instruction 18)

| 1. ITEMS | 2. AMOUNT (Enter as Item 18) |
|---|---|
| State and City License | $ 5914. 25 |
| Social Security | 784. 83 |
| | |
| | |
| | |
| | |

## SCHEDULE E—EXPLANATION OF LOSSES BY FIRE, STORM, ETC. (See Instruction 19)

| 1. KIND OF PROPERTY | 2. DATE ACQUIRED | 3. COST OR VALUE AS OF JAN. 1, 1934 | 4. SUBSEQUENT IMPROVEMENTS | 5. DEPRECIATION ALLOWABLE SINCE ACQUISITION | 6. INSURANCE AND SALVAGE VALUE | 7. DEDUCTIBLE LOSS (Enter as Item 19) |
|---|---|---|---|---|---|---|
| | | $ | $ | $ | $ | $ |
| | | | | | | |
| | | | | | | |
| | | | | | | |

State how property was acquired

## SCHEDULE F—BAD DEBTS (See Instruction 20)

| 1. YEAR | 2. SALES ON ACCOUNT | 3. BAD DEBTS |
|---|---|---|
| 1935 | $ | $ |
| 1936 | | |
| 1937 | | |
| 1938 | | |

## SCHEDULE G—OTHER DEDUCTIONS (See Instruction 22)

| 1. ITEMS | 2. AMOUNT (Enter as Item 18) |
|---|---|
| | $ |
| | |
| | |
| | |

## SCHEDULE H—EXPLANATION OF DEDUCTION FOR DEPRECIATION (See Instruction 21)

| 1. KIND OF PROPERTY | 2. DATE ACQUIRED | 3. AGE WHEN ACQUIRED | 4. PROBABLE LIFE AFTER ACQUISITION | 5. COST | 6. JAN. 1, 1934 VALUE IF ACQUIRED PRIOR TO THAT DATE | 7. DEPRECIATION ALLOWED (OR ALLOWABLE) IN PRIOR YEARS | 8. DEPRECIATION ALLOWABLE THIS YEAR |
|---|---|---|---|---|---|---|---|
| Machines | 1939 | | 5 | $ 29932 99 | $ | $ 334. 90 | $ 5607 79 |
| " (Sold) | 1938-9 | | 5 | 22697 37 | | 1396 99 | 517 84 |
| Furn. & Fixt. | 1938 | | 10 | 536. 74 | | 53. 67 | 53. 67 |
| | | | | | | | |
| | | | | | | | |

## MEMORANDA

Defendant's Exhibit J

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